

FINANCING COMBINATIONS

THOD DESCRIBED BY E. R.
CHAPMAN.

Labor Toward Consolidation.

Mr. E. R. Chapman, banker and broker, New York was before the Industrial Commission at the Bliss building yesterday afternoon to testify concerning the merging of industrial and railway corporations. Mr. Chapman has been prominent in connection with the efforts to

oklyn Gas Company, the Continental
sacco Company, Pittsburg Coal Com-
y, American Smelting Company, Pitts-
g Brewing Company, American Smelt-
and Refining Company, Cleveland and
dusky Brewing Company, Empire Steef
Iron Company and others.

Speaking of the consolidation of smelting
panies, he said the owners of these com-

sought some method to avoid it. In case of the American Smelting and Refining Company, he said, that company's only operates on silver and lead ores, though it does include gold, but not copper, in its works. The options given on individual plants when the consolidation was effected in 1898 were on a cash basis. The American Smelting and Refining Company had \$27,400,000 of 7 per cent cumulative stock and \$27,400,000 of common stock for

plants that were taken in the combination. Working capital to the amount of \$100,000 was placed in the treasury of the company. The \$27,400,000 of preferred stock represented the tangible assets and the balance amount of common stock represented good will. For each \$1,000 of value in plants purchased there was given \$1,000 of preferred and \$700 of common stock, par value, the remaining \$300 of common stock being used for the expense attending making the combination. The good will in-

Promoters Paid in Stock. We had never known of a case in which bankers and promoters were paid for forming a great corporation through a consolidation except in stock. They do not receive money or any given amount of stock for themselves. They are given a

centage of the common stock, and they will all the expenses of the reorganization in it, their own profit being what is left. In 1960 the net earnings of the American Smelting and Refining Company amounted to \$4,500,000. The combination had saved \$100,000 in freight rates alone by the shipping of ores at the mines.

Mr. Chapman stated that the combination includes all the smelters of the country, except the Guggenheim concerns, and he

speaking of the organization of the Pittsburg Coal Company formed of 140 separate establishments within a radius of seventy-five miles from Pittsburg, Mr. Chapin said dealers have been entirely satisfied with the combination, although they a little more for their coal than they before. But they are satisfied because he stabilizes prices in the business, and

guarantee they have of always securing supply of coal. Previously they had to take a contract ahead with one of the 11 coal companies, and in case of a fire at that company to secure cars or other accident they might be left without coal. Now the big company always has on hand and on the road and can deliver a supply to a customer at any time. The company sells to the New York Centralroad for its own consumption 6,500

company had acquired \$3,000,000 worth of additional coal lands, which were purchased from their earnings.

Labor and Consolidation.

Mr. Chapman said the labor organizations dealing with the Pittsburgh Coal Company are well satisfied with the consolidation, because they prefer to deal with one company instead of 140 separate companies. The company does agree with the trade

The witness also spoke of the organization of the Brooklyn Union Gas Company, the Pittsburg and the Cleveland and Dusky brewing companies. He said all the capital used in consolidating brewing companies of the cities men-

pany has, he said, a complete monopoly and yet has reduced the price of gas from \$1.25 to \$1 per thousand feet.

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ANCE FOR OUR MANUFACTURERS.

hibit to Be Made of Fire Extinguishing Apparatus at Berlin.

is to be feared that American manufacturers of fire-preventing and extinguish-

apparatus are going to lose a rare and valuable opportunity through their unacceptable indifference to the special International exposition of that whole class of sciences and methods which is to be held at Berlin during the coming summer. The states Consul General Frank Mason at Frankfurt in a recent communication to the Department of State calling attention to the fact that the records of the exposition

view of the success of the American bit of this sort at Paris last year, and well-known pre-eminence of American brigades and their equipment, the managers of the Berlin exposition have been especially anxious that the United States should make a full and representative exhibit. Thus the very meager response to the plans and invitations that have been transmitted to American manufac-

stant surprise to those in charge of the bit.

The German embassy in this city has endeavored to give the affair the widest publicity, and, through the State Department, brought the matter to the attention of possibly interested parties.

Mr. Mason points out the unequalled opportunity for American builders to show their products before the assembled experts and municipal officers of Europe, who, he

that relate to fire extinguishing, and go to Berlin to see, test and order the that the world has to offer. "It may many years," the consul general con- cedes, "before such another exhibition be held at a capital of central Europe, the opportunity now lost will certain- ly soon recur."

order to especially facilitate Ameri- exhibits, arrangements have been re- ally made by which all machinery and

be admitted free of duty, but shall be taken from New York to Hamburg and returned after the exposition by German steamship lines free of charge freight and handling. The only expense will be the American point of shipment from Bremen or Hamburg to Berlin. The exhibit will open about May 15, and continue until the end of August. Correspondence relating to exhibits, space or

electric street cars direct to Benning track every two minutes.—Advt.

It is made that mail addressed to offices continued on account of the introduction of rural free delivery is treated as mixies, though the information necessary to forward the same to its proper destination is furnished in the list on page 1,113 of the directory, 1901, postal guide. That list should always be referred to by postmen and postal clerks in looking up mixies. "mixie" mail matter is that which is illeg- or improperly addressed. During the

unt to 14,617,284 pieces, an increase of 1,199 pieces as compared with the previous year's record. Of these 8,378,718 were returned to the writers or corrected and forwarded to destination. The remainder were sent to the dead letter office for distribution.

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There are 17,884 miles of railway in Canada, of which 400 miles were built last year.